

105TH CONGRESS
1ST SESSION

H. R. 2726

To amend title XVIII of the Social Security Act to direct the Secretary of Health and Human Services to contract with certain hospitals for the provision of certain surgical procedures and related services under the Medicare Program.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 1997

Mr. STARK (for himself and Mr. BECERRA) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to direct the Secretary of Health and Human Services to contract with certain hospitals for the provision of certain surgical procedures and related services under the Medicare Program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION. 1. PROVISION FOR NEGOTIATED ALL-INCLUSIVE**
2 **RATES.**

3 (a) IN GENERAL.—Title XVIII of the Social Security
4 Act is amended by inserting after section 1888 the follow-
5 ing:

6 “NEGOTIATED ALL-INCLUSIVE RATES

7 “SEC. 1889. (a) IN GENERAL.—The Secretary shall
8 use a competitive process to contract with specific hos-
9 pitals or other entities for furnishing services related to
10 surgical procedures, and for furnishing services (unrelated
11 to surgical procedures) to hospital inpatients that the Sec-
12 retary determines to be appropriate. The services may in-
13 clude any services covered under this title that the Sec-
14 retary determines to be appropriate, including post-hos-
15 pital services.

16 “(b) QUALITY STANDARDS.—Only entities that meet
17 quality standards established by the Secretary shall be eli-
18 gible to contract under this section. In considering quality,
19 the Secretary shall take into account the quality, experi-
20 ence, and quantity of services of providers who provide
21 services in more than one entity. Contracting entities shall
22 implement a quality improvement plan approved by the
23 Secretary.

24 “(c) PAYMENT.—Payment under this section shall be
25 made on the basis of negotiated all-inclusive rates. The
26 amount of payment made by the Secretary to an entity

1 under this title for services covered under a contract shall
2 be less than the aggregate amount of the payments that
3 the Secretary would have otherwise made for the services.

4 “(d) CONTRACT PERIOD.—A contract period shall be
5 3 years (subject to renewal), so long as the entity contin-
6 ues to meet quality and other contractual standards.

7 “(e) INCENTIVES FOR USE OF CONTRACTING ENTI-
8 TIES.—Entities under a contract under this section may
9 furnish additional services (at no cost to an individual en-
10 titled to benefits under this title) or waive cost-sharing,
11 subject to the approval of the Secretary.

12 “(f) LIMIT ON NUMBER OF CONTRACTING ENTI-
13 TIES.—The Secretary shall limit the number of contract-
14 ing entities in a geographic area to the number needed
15 to meet projected demand for contracted services.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) applies to services furnished on or after Oc-
18 tober 1, 1997.

○